

HEALTH CARE FINANCING ADMINISTRATION
CONSOLIDATED INFORMATION TECHNOLOGY
INFRASTRUCTURE CONTRACT (CITIC)

PRE-PROPOSAL CONFERENCE

Wednesday, March 28, 2001

7500 Security Boulevard
Auditorium
Woodlawn, Maryland

9:30 a.m. - 12:00 p.m.

A G E N D A

Welcome and Introductions

Background Information on Health Care Financing
Administration (HCFA)

CITIC Project Overview

Current HCFA Information Technology (IT) Infrastructure

Procurement Vehicle and Schedule

Primary Purpose of CITIC Task Orders

Phase 1 Task Order Requirements Package (TORP)

Draft Phase 2 TORP

Questions and Answers (Q&As)

HCFA REPRESENTATIVES

Jared Adair, Deputy Director
Office of Information Services (OIS)

Becky Harmon, Acting Director
Technical Infrastructure Group (TIG), OIS

Brian Hebbel, Contracting Officer
Acquisition and Grants Group (AGG)
Office of Internal Customer Support (OICS)

Bridget Keogh, Project Officer
TIG, OIS

P R O C E E D I N G S

[Time noted: 9:30 a.m.]

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MS. KEOGH: Good morning.

Welcome to the Consolidated Information Technology
Infrastructure Contract Pre-Proposal Conference. My name is
Bridget Keogh and I am the project officer for the CITIC effort.

I would like to begin today's conference by discussing
the agenda and introducing today's speakers.

First, I will start off by discussing today's agenda.
We're going to go over a little bit of background about the
Health Care Financing Administration, an overview of the CITIC
Project and discussion of the current IT infrastructure. I will go
over the information about both task orders and we follow up
with questions and answers.

First, I would like to discuss a few ground rules. If
you have not done so already, please register at the registration
desk.

We would like you to hold all questions until after the
presentation.

We are actually going to need a ten-minute break at
the end of the presentation to allow you to take a break and
also congregate and you can submit written questions. Out at
the conference desk there is a little bucket for questions that

1 are written. We also have two microphones placed throughout
2 the room for any oral questions that you would like to ask.

3 Nothing that is said today will supersede the
4 information in the Task Order Requirements Package.

5 The proceedings are being recorded and will be
6 transcribed. And that transcript, the presentation materials,
7 and the future questions and answers will be available on the
8 CITIC web-site which you can see on the screen and in your
9 handouts.

10 Now it is my pleasure to introduce the HCFA
11 representatives for the CITIC effort. Starting to my right is
12 Jared Adair, the Deputy Director of the Office of Information
13 Services.

14 To her right is Becky Harmon, the Acting Director of
15 the Technology Infrastructure Group within OIS.

16 Down at the end is Brian Hebbel. He's the
17 contracting officer of the Acquisition and Grants Group in the
18 Office of Internal Customer Support.

19 I've already introduced myself. I'm Bridget Keogh.
20 And I believe still at the conference desk is Leslie Mangels,
21 she's the Contract Specialist also from the AGG.

22 For those of you who may be unfamiliar with HCFA, I
23 want to give you a little background. HCFA is an agency within

1 the Department of Health and Human Services. It's the agency
2 that's responsible for Medicare and Medicaid. It involves the
3 State Children's Health Insurance Program.

4 HCFA serves approximately 73 million beneficiaries,
5 this translates into over \$430 billion in entitlement payments for
6 health services and products.

7 Also the Health Care Financing Administration has
8 over 4,000 employees located here at the Woodlawn facility, in
9 Washington, D.C., the ten Regional, and other satellite offices
10 throughout the country.

11 Again, I just want to provide a brief overview of our
12 organization. Starting at the top is the Administrator, the HCFA
13 administrator, and then below that are a series of functional
14 centers and offices, and then down here at the bottom we have
15 four regional consortia that represent the ten regional offices
16 across the country.

17 Over to the right where the arrow is, actually the
18 Chief Information Officer, Dr. Gary Christoff [ph] also serves as
19 the Director of the Office of Information Services. And that is
20 the office which is directing the CITIC effort.

21 Now, I would like to turn the microphone over to the
22 Deputy Director of the Office of Information Services, Jared
23 Adair.

1 MS. ADAIR: Thanks, Bridget.

2 Good morning. First off, welcome to HCFA. And,
3 second, thank you for being here today.

4 I wanted to spend just a few moments today to go
5 over four points that I hope you take away from today's
6 conference.

7 The first of that is the criticality of the CITIC project
8 to HCFA's operations; the second is why we are doing this
9 project; the third is the goals or what we plan to achieve with
10 CITIC; and then the fourth is, the how we plan to manage this
11 project.

12 Let me start by confessing that in my belief HCFA
13 probably is not so much different than many other
14 organizations. Our IT infrastructure was implemented over time
15 to meet immediate business needs. The resulting infrastructure
16 is therefore composed of a group of solution-oriented
17 processing environments developed independently without
18 adherence to architectural plans or strategic vision.

19 We have historically contracted out for support
20 services for individual element of our IT infrastructure resulting
21 in fragmentation of responsibility and accountability. While this
22 has enabled us to meet HCFA's most pressing business needs, it
23 is not necessarily the most effective nor efficient way possible.

1 In the past this patchwork approach to supporting
2 our IT infrastructure has in fact hindered our ability to diagnose
3 and resolve problems that happen across our enterprise. It has
4 forced us to spend an inordinate amount of time managing and
5 coordinating multiple contracts, and has severely limited our
6 ability to effectively move to future needs.

7 Today we find ourselves in the situation with ever
8 increasing demands being placed on us; legislation, an
9 increasing beneficiary population, limited resources, as well as
10 intense oversight. For the future, this requires HCFA to
11 abandon its reactive stance in addressing our IT infrastructure
12 through uncoordinated and short-term fixes, and to have us
13 adopt a more proactive approach based upon strategic planning
14 for future infrastructure needs.

15 By consolidating our infrastructure support needs into
16 a single contract, HCFA hopes to obtain a business partner to
17 serve as a single point of contact in accountability for all of our
18 infrastructure services at HCFA facilities.

19 Improve infrastructure efficiency and effectiveness in
20 meeting our business needs. Hope to improve customer service
21 through the timely identification and resolution of problems and
22 to provide support in developing and implementing strategic and
23 tactical plans for improving our infrastructure.

1 As this slide points out, we are moving towards
2 performance-based contracting. And I am sure that both Brian
3 and Bridget can speak more thoroughly on this topic. But from
4 my point of view, it moves HCFA from being prescriptive of task
5 to contractors to defining the types and levels of services and
6 having the contractor develop the means to provide the
7 services.

8 It also means that we would, in fact, in partnership
9 develop a unified, comprehensive plan for meeting future IT
10 infrastructure needs. This plan must be adaptable to our
11 changing business needs as well as put us in a place to
12 capitalize on the benefits of new technology.

13 So those were my four points: the criticality; the
14 why; the what; and the how. And if my memory from
15 journalism class serves me well, those are the basic attributes
16 of a good leading paragraph. And so, at this point, I would like
17 to turn it over to Becky Harmon to begin to fill in the details.

18 And, again, thank you for being here today. And, see
19 ya.

20 MS. HARMON: Good morning. It's great to see so
21 many familiar faces, actually.

22 It's very good that you all came to this. It's an
23 important project for us.

1 What I am going to provide you is a bit of an
2 overview about the IT Infrastructure and the HCFA Data Center.

3 The HCFA Data Center, or mainframe platform, or
4 what we call as a Tier 1 computing platform is where HCFA's
5 electronic recordkeeping and information processing occurs.
6 The HDC facility houses the Medicare enrollment data,
7 beneficiary eligibility and claims history, and counter data, and
8 a vast array of statistical information about both Medicare and
9 the Medicaid programs that we administer.

10 HCFA's Tier 1 platform consists of four mainframe
11 processors with over 1,000 mps of processing capability. We
12 have 23 terabytes of DASD storage capability. We have ten
13 storage tech tape silos with one IBM Magstar System with a
14 virtual tape serve capability. We have 150 tape drives and over
15 500,000 tape cartridges in our tape library.

16 To give you an idea of the mainframe workload, we
17 have more than a million batch jobs that are processed every
18 year. There are 100,000 tape requests that are processed each
19 month. At any instance during peak hours, as many as 1,200
20 users are connected to the mainframe platform at one time.

21 HCFA's Enterprise mid-tier or Tier 2 computing
22 facility has become HCFA's most rapidly developing processing
23 platform. We basically run UNIX, MS NT, and Novell.

1 For the UNIX mid-tier platform we have one Sun ETN
2 thousand Enterprise server with six terabytes of DASD. We
3 have an IBM Risk 6000, S-80 processor with two terabytes of
4 DASD. And also we have an IBM Risk 6000 SP system with five
5 terabytes of DASD attached.

6 For the Windows NT and the Novell platform we have
7 over 100 Windows NT servers, 28 of those are Citrix
8 Winframe/Mediframe servers that provide applications and
9 connectivity. We have 18 Novell clusters between the central
10 office and regional office. Each cluster consists of about two to
11 eight servers that provide the file and print services, and we
12 have 41 Novell Netware servers that provide the e-mail
13 services.

14 For HCFA's desktop platform or Tier 3, we have
15 approximately 5,000 work stations running Microsoft Windows
16 NT and the MS Office 97 suite. We are soon to update that to
17 Windows 2000 some time between the 2001-2002 period.

18 There are 3,500 work stations in the central office
19 and the rest are in the regional offices throughout the country.

20 We also have a few MacIntosh systems, but that's
21 really only in the graphics area. So it's really just a handful of
22 those.

23 Our network communications network links HCFA's

1 data center to its business partners and other external
2 organizations. Our local area network supports approximately
3 5,000 users and 200 plus servers. The network consists of Afidi
4 and Gigabit Ethernet backbone and a 16-megabyte token ring
5 user network. The regional office LAN consists of a 16-
6 megabyte token rink network.

7 I know you all are taking notes. I'm just telling you,
8 I'm giving you a lot of information here. But we do have it
9 transcribed, and you will get all of this information. So don't
10 drive yourself crazy taking notes.

11 I just wanted to give you sort of a feel for the
12 breadth and scope of our center and infrastructure.

13 The HCFA's wide area network includes redundant,
14 dedicated, high-speed communication lines to the regional
15 offices. The extranet, SSA, and our Medicare data center
16 network which supports 250-plus nationwide sites for Medicare
17 contractors and other HCFA business partners. And we have
18 secure dial-in access for approximately 75,000 users.

19 I should note that we are planning on upgrading our
20 infrastructure topology. We are going to go from Tokenring to
21 Ethernet and that project is in process today and hopefully we
22 will finish it before this contract comes together to full fruition.
23 Recompete.

1 We will be going to fast Ethernet to the desktop. We
2 will replace the Fidi backbone to fast Gigabit Ethernet. We will
3 migrate from HUB to switch technology and we will consolidate
4 the router functionality to a single vendor source.

5 Our voice data switch is a Fujitsu system and we
6 maintain a fully redundant conference bridge backup system.

7 As Jared had talked about and when she was talking,
8 because of the complexity and the fragmentation of HCFA's IT
9 infrastructure, we have had issues with basically three areas:
10 integrating new technologies; diagnosing and resolving
11 problems timely; and maintaining a stable environment.

12 The level of effort required to maintain operations is
13 an enormous project and it basically prevents us from
14 adequately planning for future initiatives. We look forward to
15 the new CITIC contract to help us out in these areas
16 specifically.

17 At this point I would like to turn it over to Brian who
18 is going to talk about the contract issues.

19 MR. HEBBEL: Good morning. My name is Brian
20 Hebbel. I'm the contracting officer for this procurement. If you
21 don't know me now, you'll probably know me by the time this
22 process is finished.

23 HCFA is awarding this task order viability the CIO-

1 SPII for those of you who may be small business
2 representatives or are just coming to hear about the
3 procurement. The contracting officer for that contract for the
4 CIO-SPII contract is Greg Holiday. His telephone number, if
5 anybody is interested, is 301-402-3069.

6 As is noted in the solicitation, we are using a
7 somewhat unique contracting process. Initially 31 copies of this
8 Task Order C-2004 were forwarded to potential bidders.

9 In Phase 1 of this procurement HCFA intends to
10 award three to five task orders. These task awardees will be
11 required to perform two assignments simultaneously. One will
12 be to deliver a study deliverable as will be noted in your fixed
13 price award.

14 Assignment two will be to prepare a Phase 2 technical
15 and business proposal.

16 The maximum dollar amount HCFA considers fair and
17 reasonable for the contractor to prepare and deliver the study
18 report is \$100,000. We think we've made it quite evident in
19 this solicitation our position regarding the Phase 1 cost proposal
20 dollar limit.

21 Only vendors that have received Phase 1 awards can
22 proceed to deliver the Phase 2 proposals. There are three
23 reasons that we use this process. Number one, we want

1 adequate time to allow for due diligence. In our opinion, if we
2 have too many vendors performing due diligence, it will be an
3 inadequate and inefficient process for both the vendor
4 community and for us.

5 Number two, we don't want contractors that have no
6 real chance of receiving the award spending inordinate amounts
7 of time and dollars chasing a pot of gold. And I guess what I
8 mean by "a pot of gold" is trying to really win the procurement
9 and not from the beginning really having a chance to win it.

10 Number three, we want vendors in the due diligence
11 process that have successfully performed similar work in the
12 past.

13 The period of performance for Phase 1 is four months
14 as is noted in the solicitation. During this performance period
15 the due diligence process will take place that will assist you in
16 preparing your task order deliverable and your Phase 2
17 proposal.

18 The Phase 2 period of performance will be for a base
19 period plus it will be for up to seven and a half total years of
20 performance.

21 Hopefully you've all had the opportunity to look over
22 the schedule. The first six bullets on the slide are pretty much
23 -- I'd like to say as the contracting officer and maybe I'll be

1 wrong in the future, but I think these dates are pretty much
2 etched in concrete. I'm not anticipating, just based on my past
3 knowledge, that these dates will change. That's not to say that
4 they won't, that's just my best guess at this point in time.

5 The period between February and May 2002, and at
6 least in my opinion, at this point are pretty much up in the air
7 depending on our process for evaluating the proposals. The
8 proposals that we receive, that time could be lengthened or
9 shortened. Hopefully for the vendor community we would like
10 to shorten that time. We understand that the longer this does
11 take, it's going to increase your cost regardless of whether you
12 win or now. So we will do our best to move this process along.

13 Your Phase 1 proposal, TORP proposal requirements
14 are as follows:

15 Let me just start this slide over again.

16 This is about the clearest slide. This is probably a
17 little bit clearer than the actual solicitation in terms of what
18 you're supposed to bid for Phase 1. So just let me go through it
19 just to make sure it's clear to you.

20 You're required to submit three binders. Binder 1
21 will contain only past performance information. Another binder
22 will contain only cost proposal information. Then the final
23 binder will contain your experience, record of improvement,

1 study plan, and extent of small business participation
2 information.

3 The page limitations are clearly noted on page 3 of
4 18 of the TORP, Section L.2.2(b). The page limitations in total
5 include both the prime and any teaming partners' proposals.

6 For Phase 1 an oral proposal will be required one
7 week after receipt of the written quotes. And it pretty much
8 clearly states in the solicitation that the purpose of the
9 presentation is to enable the technical evaluation panel to
10 assess each offeror's relative level of familiarity and
11 understanding of the work that, as the contractor, it will
12 perform under the prospective task order, i.e., the study plan.
13 And to better enable the technical evaluation panel to assess
14 your experience and performance history.

15 After the oral presentations are completed, your
16 technical and business proposals will be evaluated and three to
17 five awards will be made. I think we kind of made that pretty
18 clear.

19 The evaluation factors are pretty clearly spelled out
20 in Section M of the TORP. They include in descending order of
21 importance: experience; past performance; record of
22 improvement; the Phase 1 study plan; and the extent of small
23 business participation.

1 I would like to reiterate that vendors with more
2 experience and successful past performance in an IT
3 environment of similar size, scope, and complexity to what we
4 have will receive higher technical scores.

5 Finally, task order awards for Phase 1, as said again,
6 won't exceed \$100,000. And with that, I would like to turn it
7 back over to Bridget. Thanks.

8 MS. KEOGH: Thank you, Brian.

9 As we've mentioned before, this is a two-phased
10 effort which consists of two task orders for the CITIC project. I
11 wanted to give you an idea of the primary purpose of both of
12 those.

13 First, in Phase 1, the vendors will conduct a study of
14 the current IT infrastructure during the four-month period of
15 performance.

16 And, second, at the end of that study they will
17 provide the Consolidated information Technology Infrastructure
18 Definitions Study Report -- which is a mouthful.

19 That study consists of two parts. Part A is the view
20 of HCFA's IT infrastructure of the future and the steps to get us
21 there. And the second, Part B, are suggestions relative to the
22 CITIC contract and the ITA.

23 The follow-on task order is actually the responsibility

1 for day-to-day operations and maintenance of the HCFA IT
2 infrastructure. The goal of this is to provide HCFA with a single
3 point of contact for all its infrastructure issues. And, also, to
4 have a partner who will help develop tactical plans for
5 improving the infrastructure operations.

6 The second purpose of this task is to support
7 strategic planning and migration toward the future
8 infrastructure while still supporting HCFA's ITA and being
9 responsive to its business needs.

10 In Phase 1, this is a list of the work requirements.
11 First would be to conduct the study of the infrastructure.
12 Second is participation in a series of meetings. The initial
13 meeting is the bidder's/post award conference and headquarters
14 tour. The name is slightly confusing since Phase 1 awardees
15 will also become the Phase 2 bidders. So that the information
16 covered during that conference will cover both task orders
17 again.

18 The second are group technical discussions with all
19 contractors present during the discussions and a committee of
20 HCFA subject-matter experts for contractors to ask questions.

21 Next we'll be followed with one, one-on-one technical
22 discussion with HCFA subject-matter experts no longer than two
23 hours.

1 And, finally, a tour of the Philadelphia regional office.

2 And at the end of that process we would like to see the
3 contractors prepare and submit the consolidated IT
4 infrastructure report.

5 While conducting the study, we would like the
6 contractors to be aware of HCFA's interest and concerns in the
7 following areas. First is the secure networking technologies.
8 While we're interested in researching the efficiency of
9 leveraging existing networking technologies, we are also
10 concerned about the security risk of the HCFA data.

11 Next, our LAN availability and downtime. We have
12 been experiencing several problems with our LAN availability
13 over the past year. And, as Becky mentioned, we have a series
14 of short-term fixes that we hope will improve our LAN
15 availability and reliability, but we would also like the study to
16 address any other suggestions with respect to LAN availability
17 and down time.

18 Third, remote access. Right now we have a short-
19 term solution for our remote access needs for employee access
20 from remote sites. We would like to see ideas relative to
21 employee access from remote sites for varying degrees of
22 necessity; e-mail versus e-mail, and office automation support
23 versus the employees that need access to the entire

1 infrastructure.

2 Next, voice data and video communications. We
3 would like to explore the cost efficiencies of the new networking
4 and standard protocols that exist for various types of
5 communication.

6 The HDS operations. I'm sure as many of you know,
7 government agencies continue to fight a battle where they have
8 most balance increasing demands and face flatlined or straight
9 -- decreasing budgets. We need to be able to balance those
10 needs and still meet the increasing demand.

11 And, last, the HCFA Quality-Net which is currently
12 separately maintained and operated outside of the core IT
13 infrastructure. We would like to see any suggestions relative
14 to integrating the HQN into the remainder of the IT
15 infrastructure.

16 Now, I would like to sort of walk through the
17 separate sections of the Part A deliverable of the report. The
18 introduction is pretty much self-explanatory. The description of
19 HCFA's current infrastructure -- this is where we would like to
20 see the contractor's understanding of our current environment
21 relative to our business needs.

22 Next is the contractor's vision of HCFA's future
23 infrastructure. And this should address the complete

1 infrastructure needs, address the areas concerned, although
2 those are not the only limits, the areas of concern mentioned.
3 They're just sort of things we would like to see ideas on, but
4 that does not limit any other suggestions.

5 And, third, we would like to see the impact that
6 would lower overall costs and also balance user and business
7 needs.

8 Next would be looking at the current and the future
9 infrastructure; what are the key differences?

10 And lastly -- well, not lastly, the migration strategy
11 which sort of builds off the key differences which is sort of how
12 you would plan to evolve from the current infrastructure to the
13 future infrastructure while still addressing continuity of service,
14 technical currency, minimization of costs and schedule to get us
15 there.

16 Last would be any risks, assumptions, or suggestions
17 pertinent to the future IT infrastructure.

18 The second part of the report actually is related to
19 suggestions related to the actual contracting process and
20 HCFA's ITA. We would like to see any suggestions for timing
21 for the assumption of the option work outlined in the tour.

22 In addition, any additional or alternative performance
23 metrics that would be suggested. Also, any ideas relative to

1 efficiencies that might be attained using contractor-owned,
2 contractor-operated equipment versus government-owned,
3 contractor-operated equipment. Any suggestions relative to the
4 CITIC contract structure including CLIN structure or contract
5 site. Any changes to the ITA standards or objectives or
6 principles that could be suggested. The relative responsibilities
7 of the contractor versus government roles in this effort. And,
8 also, any changes or additions to the IT security policies or
9 procedures.

10 Note: This is a lot of material to cover and it is still
11 subject to the page limits in the TORP.

12 Next I wanted to spend a little bit of time talking
13 about the draft Phase 2 TORP that was issued. I want to
14 reiterate that it is draft, so everything is subject to change. But
15 we did want to issue some idea of the follow-on effort. What
16 was included in the release were the sections covering pricing
17 so that a statement of work, the deliverables, and the
18 attachments. You'll notice that the service level agreements
19 were not included in their initial release of the TORP. We are
20 actually working with the Gartner Group to get some input into
21 the service level agreements. And depending on the input we
22 receive, we hope to release those service level agreements as
23 soon as possible.

1 I would like to mention that any comments -- we are
2 accepting comments on the draft TORP. And we would like to
3 have them forwarded to Brian, and I'm not going to read all his
4 address information. And, as we said before, we're planning to
5 release the final Phase 2 TORP at the same time we award the
6 Phase 1 study award, around July.

7 I just want to go through a little bit of the structure
8 of the TROP. First, it's important to realize that for all of the
9 elements of functionality in the IT infrastructure that are
10 awarded, the contractor will be responsible for the following
11 areas:

12 Program management which covers the reporting, the
13 financial, the quality assurance, phase-in plans, phase-out
14 plans.

15 Operations. This includes all operations necessary
16 for day-to-day maintenance and operations. That includes
17 production scheduling, data backup, capacity and performance
18 monitoring.

19 Third are the technical support services. That
20 includes areas such as the service desk and maintenance
21 activities.

22 Next are general support services covering various
23 levels of user support as well as configuration management.

1 And the last two, engineering services as well as security and
2 privacy services.

3 As I stated before, there are options to this contract.

4 Not all of this work will be assumed as baseline work. The two
5 types of -- I'm sorry, let me start that over.

6 First, there's the baseline work which will be assumed
7 at contract award, and second is the optional work which the
8 government may choose to exercise those options at any time.

9 Next I wanted to explain the baseline work. We had
10 planned for a three-month phase-in period, whereas the
11 optional work we would like to use the phase-in plan for one
12 month and that's based on an approved phase-in plan delivered
13 and approved by the government.

14 That's just the description of the baseline work
15 versus the options. And this is just a listing. The baseline work
16 includes: the mainframe; the tier 2 servers; the WAN/VAN
17 services; LAN services; the network control center; integrated
18 test facility; engineering services. And it's also important to
19 note that, for each portion of the IT infrastructure it is
20 awarded, the contractor will cover the purchase and
21 management of hardware and software licenses.

22 Optional work includes: the desktop; voice
23 communications; the cable plant; the WAN/VAN facilities; our

1 video conferencing support; disaster recovery site; web hosting
2 services; webcasting services; the HCFA Quality Net.

3 Now it is my pleasure to turn the microphone back
4 over to Brian.

5 MR. HEBBEL: Oh, happy day.

6 We just have a few more slides and then we're pretty
7 much ready to take a break and wrap it up.

8 Regarding our pricing strategy for Phase 2, we
9 anticipate a mix of contract pricing scenarios in the task order
10 including primarily fixed price and cost reimbursement pricing
11 strategies. We are certainly trying to lean towards fixed-price
12 efforts where possible.

13 In fact, at this point in time we're anticipating that
14 the majority of the effort will be fixed price, but that is subject
15 to change. Now that you do have a draft copy of the Phase 2
16 draft scope of work, we are welcoming your comments
17 regarding that scope of work and any pricing strategies that you
18 think will be beneficial to both the government and industry.

19 Today we are prepared to answer some general
20 questions that you may have. For today, in a few minutes, we'll
21 take a 15-minute break, and we would like to do that for two
22 reasons. Number one, there are two bathrooms down the hall
23 to the left; and number two, if you need to get together to ask

1 us some questions, we are more than happy to try to address
2 them. We will not address all of them. It depends on the
3 subject matter of the question.

4 There are two ways that you could have a question
5 addressed by us. Number one, you could write it down on a
6 three-by-five card and sit it down in the bin that's sitting right
7 outside the doors where you signed in. Or, number two, when
8 we come back from the break you can go up to the microphone
9 and ask us a question. We will do our best to try to address
10 some of those questions.

11 I guess the final point to make is five days after the
12 conference, as stated in this solicitation, you're required to
13 have any questions that you may have are required to be
14 submitted to us in accordance with the solicitation instructions.
15 So please note that.

16 Do not submit your technical questions via e-mail.
17 And we do have the web site where we will attempt to post
18 questions as soon as we have answers.

19 So, with that, let's take a 15-minute break and come
20 on back and we'll try to address your questions.

21 [Brief recess at 10:10 a.m.]

22 MR. HEBBEL: I'll read the questions and we'll answer
23 the ones we have on the cards. That way, hopefully, maybe it

1 will answer your question before you have to get up to the
2 microphone and ask a question.

3 Let's see. Are resumes of the key personnel required
4 for the Phase 1 TORP quote submission?

5 Yes.

6 That was an easy one.

7 [Laughter.]

8 MR. HEBBEL: Will you provide a list of attendees of
9 today's pre-proposal conference?

10 I was thinking I needed to talk about that one, but
11 someone told me nothing is precluded from us giving that out.
12 So if anyone has an objection to that, give it to me within five
13 days, otherwise I will send the list out. Okay.

14 So if you know of a reason why I should be objecting
15 to that, or you should be objecting to that, let me know.

16 Will you provide a list of current incumbent
17 contractors?

18 We will try to do that. We will do that. And let me
19 just reiterate that. We will try to do that on, I guess, most of
20 the larger contractors. We have a lot of small contractors too
21 that are embedded in the operation. So we'll do the best we
22 can at attacking that.

23 What is the estimated yearly value of the Phase 2

1 baseline work?

2 Don't know. Won't answer.

3 [Laughter.]

4 MR. HEBBEL: Okay. Are reps and certs required for
5 Phase 1?

6 I was told, no, they're not. So the answer is no.

7 We could do a good game show here and have some
8 people guess the answers, but --

9 Let's see, is intent of M.3.A to receive experienced
10 and prime only or entire team?

11 Entire team. That is correct.

12 If a small business does not participate in Phase 1,
13 would it be precluded from participating Phase 2?

14 No.

15 Please clarify what is required for experience and
16 past performance? It is not clearly specified in Section L of the
17 TORP.

18 Whoever wrote that question is going the have to
19 give me some additional information why you think it's not
20 clearly specified. At least from my view, as it stands right now,
21 that's for you to best ascertain how to put that information in
22 your proposal for us to understand what your experience and
23 past performance are. The statement of work isn't prescriptive,

1 we're not being prescriptive in terms of what we're asking you
2 to submit. That's entirely up to you. And, hopefully, you've
3 submitted enough proposals that most of that information you
4 probably already have anyway. It's just a question of putting it
5 together in one form or in a form to meet the requirements of
6 this scope of work.

7 Clarify page count requirement; is it 20 back and
8 front or 10 back and front?

9 And it says it on Section M, if I can find it.

10 [Pause.]

11 MR. HEBBEL: If anybody knows the answer before
12 me, yell it out.

13 [Laughter.]

14 MR. HEBBEL: Sorry. It's in L. I'm sorry. No, I know
15 where it is, I just have to -- you showed me where it was. Here
16 we go. I do have it. It's on page 3 of 18. Quote, "Page
17 Limitation." It says, "a page is defined as a two-sided sheet" --
18 thanks, Wendy -- 8 1/2 by 11 inches with at least one inch
19 margins on all sides. I think that answers that.

20 Will Phase 1 and 2 be separate TORP or will Phase 2
21 be a mod to a Phase 1 TORP?

22 That is a good question and we did get the answer
23 from Greg Holiday at NIH and I'm just trying to remember what

1 the answer was.

2 It's going to be construed to be a logical follow-on.

3 So it will be a separate task order and I'm 99 percent sure of
4 this. I'm not 100 percent, but there will be a separate task
5 order and it will be considered a logical follow-on to the original
6 task order, and that's how we're doing it. We did have that
7 discussion with them.

8 When follow-on awarded, can new team, key staff be
9 identified?

10 They will be identified. We do want key personnel,
11 even for Phase 1, to be identified. I think that answers that
12 question.

13 The final one. It was stated that a technical and
14 business cost proposal for Phase 2 were also due on May 1 with
15 our proposed -- hold on a second --

16 [Pause.]

17 MR. HEBBEL: Oh. It is stated that a technical and
18 business cost proposal for Phase 2 are also due on May 1st with
19 our proposals for Phase 1. Is this feasible given that only
20 limited information for Phase 2 is currently available?

21 You're only supposed to submit a Phase 1 proposal. I
22 think whoever wrote that question maybe come up and point it
23 out to me afterwards or go back and read the solicitation to

1 show me where that's noted, our intent. And I think the way
2 it's written is that, clearly, you're only submitting a Phase 1
3 proposal. Your Phase 2 proposal as is shown on slide -- your
4 Phase 2 proposal is not going to be until November 1st of 2001
5 if you're one of the three to five vendors selected to perform
6 the Phase 1 work and submit a Phase 2 proposal.

7 Does that make sense?

8 You're next.

9 MS. KEOGH: Okay. This looks like it's a two-part
10 question. First, is an approach which migrates processing to a
11 vendor facility acceptable?

12 I don't think that we're ruling anything out at this
13 point. That's actually one of the items of interest in the actual
14 report. So at this point in time, I don't think that we'll rule that
15 out.

16 And the second part of the question is, is there a
17 component of the current work which cannot be migrated?

18 I think my answer to that would be, during the
19 interviews with the subject-matter experts, as you understand
20 the business processing that is here at HCFA, we would like to
21 pursue, as I said before, we are interested in any efficiencies
22 we can reap in our processing but are very concerned about the
23 security issues related to that.

1 A second question. Why has the Philadelphia
2 regional office been picked for the tour?

3 The simple answer is it's proximity to Woodlawn.

4 And the second part of that question is, how are
5 employees disbursed among the regional offices?

6 In the attachment to the Phase 2 TORP, there's an
7 Attachment J-14 and on page 17 of that attachment there is a
8 section for regional office and satellite offices and we've given
9 an approximate number of employees in each regional office
10 and also an estimate of what is in the satellite offices attached
11 to those regions.

12 Next question. Will convergence technology for voice
13 video and data be a future project in the labs?

14 My understanding is that this is not currently a
15 project that we are implementing. So the answer would be no.

16 Will HIPPA regs be required?

17 I think pretty much the standard answer for any
18 regulation is as they go into law it is applicable here at HCFA.
19 So, yes.

20 What is the current IT budget?

21 I don't know. And I would assume it's part of the
22 entire HCFA budget. So I'm not sure.

23 MS. HARMON: It is part of the entire HCFA budget

1 and it's cited. I'll say that, but I don't have the exact number
2 off the top of my head.

3 MS. KEOGH: Who gets the hardware title, HCFA or
4 the contractor?

5 I believe that right now the title for most of the
6 hardware is in HCFA's name and the intent is to look at the
7 proposals and see if it's contractor owned. That would be a
8 different approach than what we have right now. But I believe
9 the intent is at the end of this contract we need to make sure
10 that all of that equipment is transferrable should there be a
11 need to transfer to a different vendor.

12 You guys can correct me if that's -- okay.

13 I think that's all I have here on the podium.

14 MS. HARMON: There's one. The question was, who
15 can redesign applications?

16 The answer is, HCFA has several contractors that do
17 that. The intent would be to merge that into the CITIC contract
18 as much as possible. There are also staff that do that as well.
19 So that's kind of a wishy-washy answer to this one.

20 MR. HEBBEL: Does anybody have any other
21 questions? If you want to come up to the podium, feel free -- I
22 mean, up to the microphone.

23 MS. HARMON: You can come up here too, if you

1 want.

2 AUDIENCE PARTICIPANT: Brian, back to the
3 discussion we had on page count, I just want to clarify. You all
4 defined the pages two sides of a sheet of paper. If you look at
5 the L section, page 3 of 18, you then further define page
6 limitations on a couple of the sections relative to the Phase 1
7 quote. I just want to make sure that we follow that
8 extrapolation. For instance, you have not page limitation on the
9 first two items, but on record of improvement you have a page
10 limitation of ten.

11 MR. HEBBEL: Right.

12 AUDIENCE PARTICIPANT: Given your definition of a
13 page, that's really 20 sides of a sheet of information page
14 limitation.

15 MR. HEBBEL: Correct. That's 20 sides of a sheet of
16 information.

17 AUDIENCE PARTICIPANT: Okay. I just wanted to
18 make sure. Thanks.

19 MR. HEBBEL: Sure. Any other questions? Speak
20 now or forever hold you peace. At least for five days.

21 [Laughter.]

22 [No response.]

23 MR. HEBBEL: Okay. Thank you for coming in, we

1 appreciate it and good luck.

2 [Whereupon, at 10:36 a.m., the meeting was

3 adjourned.]

C E R T I F I C A T E

This is to certify that the foregoing pre-proposal conference of the Health Care Financing Administration on Consolidated Information Technology Infrastructure Contract (CITI) was held on Wednesday, March 28, 2001, and as reported by me, Gerald T. Brooks, Sr., was transcribed as herein appears, and this is the original transcript thereof.

Gerald T. Brooks, Sr.

Court Reporter